

Introduced by Senator SotoFebruary 20, 2003

An act to amend Sections 65460.1, 65460.2, and 65460.4 of, and to add Section 65040.9 to, the Government Code, and to amend Section 33030 of, and to add Chapter 4.7 (commencing with Section 33499) to Part 1 of Division 24 of, the Health and Safety Code, relating to transit village plans.

LEGISLATIVE COUNSEL'S DIGEST

SB 465, as introduced, Soto. Transit village plan: design.

(1) Under existing law, the Office of Planning and Research is the comprehensive state planning agency that is required to engage in the formulation, evaluation, and updating of the state's long-range goals and policies for land use, population growth and distribution, urban expansion, development, open space, resource preservation and utilization, air and water quality, and other factors that shape statewide development patterns and significantly influence the quality of the state's environment.

This bill would require the office to convene a task force to create statewide guidelines that incorporate the best available practices for transit village planning and design. The bill would require that the guidelines be completed, adopted, and published by October 1, 2004, and serve as advisory guidelines to local government agencies, cities, and counties.

(2) The Transit Village Development Planning Act of 1994 authorizes a city or county to prepare a transit village plan for a transit village development district that includes all land within not less than $\frac{1}{4}$ mile of the exterior boundary of the parcel on which is located a rail transit station and addresses specified characteristics, including a



neighborhood centered around a transit station that is planned and designed, as specified, and demonstrable public benefits that reduce traffic congestion. The Community Redevelopment Law specifies both the physical and economic conditions that cause blight.

This bill would extend the surrounding land of a transit village development district to $\frac{1}{2}$ mile from a rail transit station.

The bill would add as a characteristic of a transit village plan a provision that not less than 20% of new and substantially rehabilitated dwelling units constructed or developed within the district be available at affordable housing cost to persons and families of low or moderate income, as defined, with not less than 40% of these units to be available at affordable housing cost to very low income households, as defined. The bill would also specify conditions that constitute blight with respect to land surrounding a rail transit station.

This bill would also enact an alternative method of adoption and amendment of a redevelopment plan that would authorize a city or county that has adopted a transit village plan area to adopt a new Transit Village Redevelopment Plan, as specified, to include in a redevelopment project area all or a portion of an existing transit village plan area and to enable 2 or more adjoining local agencies to enter into an agreement to jointly establish and operate the new redevelopment plan for a Transit Village Redevelopment Project Area, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 65040.9 is added to the Government
2 Code, to read:
3 65040.9. By April 1, 2004, the Office of Planning and
4 Research shall convene a task force composed of representatives
5 of cities, counties, transit agencies, private developers, architects,
6 environmental organizations, and other individuals as nominated
7 by their statewide organizations and associations, public agencies,
8 and private organizations with expertise in transit village planning
9 and design, for the purpose of creating statewide guidelines that
10 incorporate the best available practices for transit village planning
11 and design. The issues addressed by the guidelines shall include a
12 listing of recommended local financial and other tools to promote
13 higher density development within transit villages, including a



1 recommendation of the most appropriate use of density bonuses
2 for residential and commercial development, and the use of
3 parking reductions. The office shall adopt and publish the
4 guidelines by October 1, 2004. The guidelines shall be advisory to
5 each city and county in the planning, design, and implementation
6 of transit villages.

7 SEC. 2. Section 65460.1 of the Government Code is amended
8 to read:

9 65460.1. The Legislature hereby finds and declares all of the
10 following:

11 (a) Federal, state, and local governments in California are
12 investing in new and expanded rail transit systems in areas
13 throughout the state, including Los Angeles County, the San
14 Francisco Bay area, San Diego County, Santa Clara County, and
15 Sacramento County.

16 (b) This public investment in rail transit is unrivaled in the
17 state's history and represents well over ten billion dollars
18 (\$10,000,000,000) in planned investment alone.

19 ~~(c) Recent studies of transit ridership in California indicate that~~
20 ~~persons who live within a quarter-mile radius of rail transit stations~~
21 ~~utilize the transit system in far greater numbers than does the~~
22 ~~general public living elsewhere~~ *An October 1998 report from the*
23 *Institute of Urban and Regional Development at the University of*
24 *California, Berkeley, recommended that the Legislature amend*
25 *this act to expand the spatial dimensions of a transit village from*
26 *a quarter-mile to a half-mile radius from rail transit stations.*

27 (d) The use of transit by persons living near rail transit stations
28 is particularly important given the decline of transit ridership in
29 California between 1980 and 1990. Transit's share of commute
30 trips dropped in all California metropolitan areas—greater Los
31 Angeles: 5.4 percent to 4.8 percent; San Francisco Bay area: 11.9
32 percent to 10.0 percent; San Diego: 3.7 percent to 3.6 percent;
33 Sacramento: 3.7 percent to 2.5 percent.

34 (e) Only a few rail transit stations in California have any
35 concentration of housing proximate to the station.

36 (f) Interest in clustering housing and commercial development
37 around rail transit stations, called transit villages, has gained
38 momentum in recent years.

39 SEC. 3. Section 65460.2 of the Government Code is amended
40 to read:

1 65460.2. A city or county may prepare a transit village plan
2 for a transit village development district that addresses the
3 following characteristics:

4 (a) A neighborhood centered around a transit station that is
5 planned and designed so that residents, workers, shoppers, and
6 others find it convenient and attractive to patronize transit.

7 (b) A mix of housing types, including apartments, within not
8 more than a ~~quarter~~ *half* mile of the exterior boundary of the parcel
9 on which the transit station is located.

10 (c) Other land uses, including a retail district oriented to the
11 transit station and civic uses, including day care centers and
12 libraries.

13 (d) Pedestrian and bicycle access to the transit station, with
14 attractively designed and landscaped pathways.

15 (e) A rail transit system that should encourage and facilitate
16 intermodal service, and access by modes other than single
17 occupant vehicles.

18 (f) Demonstrable public benefits beyond the increase in transit
19 usage, including all of the following:

20 (1) Relief of traffic congestion.

21 (2) Improved air quality.

22 (3) Increased transit revenue yields.

23 (4) Increased stock of affordable housing.

24 (5) Redevelopment of depressed and marginal inner-city
25 neighborhoods.

26 (6) Live-travel options for transit-needy groups.

27 (7) Promotion of infill development and preservation of natural
28 resources.

29 (8) Promotion of a safe, attractive, pedestrian-friendly
30 environment around transit stations.

31 (9) Reduction of the need for additional travel by providing for
32 the sale of goods and services at transit stations.

33 (10) Promotion of job opportunities.

34 (11) Improved cost-effectiveness through the use of the
35 existing infrastructure.

36 (12) Increased sales and property tax revenue.

37 (13) Reduction in energy consumption.

38 (g) Sites where a density bonus of at least 25 percent may be
39 granted pursuant to specified performance standards.

1 (h) (1) *Not less than 20 percent of the new and substantially*
2 *rehabilitated dwelling units constructed or developed within the*
3 *district shall be available at affordable housing cost to persons and*
4 *families of low or moderate income, with not less than 40 percent*
5 *of those dwelling units required to be available at affordable*
6 *housing cost to persons and families of low or moderate income to*
7 *be available at affordable housing cost to very low income*
8 *households.*

9 (2) *As used in this subdivision, the term “substantially*
10 *rehabilitated dwelling units” shall mean substantially*
11 *rehabilitated single-family dwelling units with one or two units, or*
12 *substantially rehabilitated multifamily rented dwelling units with*
13 *three or more units.*

14 (3) *As used in this subdivision, the term “substantial*
15 *rehabilitation” means rehabilitation, the value of which*
16 *constitutes not less than 25 percent of the after rehabilitation value*
17 *of the dwelling, inclusive of land value.*

18 (4) *As used in this subdivision, the term “affordable housing*
19 *cost” shall have the same meaning as set forth in Section 50052.5*
20 *of the Health and Safety Code.*

21 (5) *As used in this subdivision, the term “affordable rent” shall*
22 *have the same meaning as set forth in Section 50053 of the Health*
23 *and Safety Code.*

24 (6) *As used in this subdivision, the term “persons and families*
25 *of low or moderate income” shall have the same meaning as set*
26 *forth in Section 50093 of the Health and Safety Code.*

27 (7) *As used in this subdivision, the term “very low income”*
28 *shall have the same meaning as set forth in Section 50105 of the*
29 *Health and Safety Code.*

30 (i) *Other provisions that may be necessary, based on the report*
31 *prepared pursuant to subdivision (b) of former Section 14045, as*
32 *enacted by Section 3 of Chapter 1304 of the Statutes of 1990.*

33 SEC. 4. *Section 65460.4 of the Government Code is amended*
34 *to read:*

35 65460.4. *A transit village development district shall include*
36 *all land within not more than a ~~quarter~~ half mile of the exterior*
37 *boundary of the parcel on which is located a rail transit station*
38 *designated by the legislative body of a city, county, or city and*
39 *county that has jurisdiction over the station area.*

1 For purposes of this article, “district” means a transit village
2 development district as defined in this section.

3 SEC. 5. Section 33030 of the Health and Safety Code is
4 amended to read:

5 33030. (a) It is found and declared that there exist in many
6 communities blighted areas which constitute physical and
7 economic liabilities, requiring redevelopment in the interest of the
8 health, safety, and general welfare of the people of these
9 communities and of the state.

10 (b) A blighted area is one that contains both of the following:

11 (1) An area that is predominantly urbanized, as that term is
12 defined in Section 33320.1, and is an area in which the
13 combination of conditions set forth in Section 33031 is so
14 prevalent and so substantial that it causes a reduction of, or lack of,
15 proper utilization of the area to such an extent that it constitutes a
16 serious physical and economic burden on the community which
17 cannot reasonably be expected to be reversed or alleviated by
18 private enterprise or governmental action, or both, without
19 redevelopment.

20 (2) An area that is characterized by either of the following:

21 (A) One or more conditions set forth in any paragraph of
22 subdivision (a) of Section 33031 and one or more conditions set
23 forth in any paragraph of subdivision (b) of Section 33031.

24 (B) The condition described in paragraph (4) of subdivision (a)
25 of Section 33031.

26 (c) A blighted area also may be one that contains the conditions
27 described in subdivision (b) and is, in addition, characterized by
28 the existence of inadequate public improvements, parking
29 facilities, or utilities.

30 (d) *A blighted area may also be one that meets all of the*
31 *following criteria:*

32 (1) *The area is predominantly urbanized, as defined in Section*
33 *33320.1.*

34 (2) *The area includes a rail transit station and surrounding*
35 *land, provided that all of the surrounding land is not more than a*
36 *half mile from the exterior boundary of the parcel on which is*
37 *located the rail transit station.*

38 (3) *The community has adopted a transit village plan pursuant*
39 *to the Transit Village Development Planning Act of 1994 (Article*
40 *8.5 (commencing with Section 65460) of Chapter 3 of Division 1*

1 of Title 7 of the Government Code), and that transit village plan
2 permits a higher density of development than the development that
3 currently exists in the area.

4 (4) The higher density of development that is permitted by the
5 transit village plan would not reasonably be expected to be
6 achieved by private enterprise or government action, or both,
7 without redevelopment.

8 SEC. 6. Chapter 4.7 (commencing with Section 33499) is
9 added to Part 1 of Division 24 of the Health and Safety Code, to
10 read:

11
12 CHAPTER 4.7. TRANSIT VILLAGE REDEVELOPMENT PROJECT
13 AREAS
14

15 33499. With enactment of this chapter, it is the intent of the
16 Legislature to do both of the following:

17 (a) Provide cities and counties with a means to facilitate
18 redevelopment of territory within a transit village plan area
19 established by the legislative body of the community pursuant to
20 the Transit Village Development Planning Act of 1994 (Article 8.5
21 (commencing with Section 65460) of Chapter 3 of Division 1 of
22 Title 7 of the Government Code).

23 (b) Enable redevelopment agencies to include in a
24 redevelopment project area all or a portion of a transit village plan
25 area and thereby utilize the powers of this part with respect to those
26 transit village plan areas.

27 33499.1. The Legislature finds and declares that
28 extraordinary measures must be taken to facilitate the
29 redevelopment of transit village plan areas and thereby promote
30 the purposes set forth in the Transit Village Development Planning
31 Act of 1994 (Article 8.5 (commencing with Section 65460) of
32 Chapter 3 of Division 1 of Title 7 of the Government Code).

33 33499.2. Nothing in this chapter shall preclude two or more
34 adjoining cities or counties or their redevelopment agencies, as
35 applicable, from entering into agreements to jointly establish and
36 operate a redevelopment plan for a transit village redevelopment
37 project area if the transit village plan areas are contiguous and each
38 city or county has adopted a transit village plan pursuant to the
39 Transit Village Development Planning Act of 1994 (Article 8.5

1 (commencing with Section 65460) of Chapter 3 of Division 1 of
2 Title 7 of the Government Code).

3 33499.3. The provisions of this chapter set forth an alternative
4 method of adoption and amendment of redevelopment plans and
5 shall not prevent an agency and legislative body from adopting or
6 amending redevelopment plans pursuant to other provisions of this
7 part.

8 33499.4. (a) For each transit village plan area that a city or
9 county has adopted pursuant to the Transit Village Development
10 Planning Act of 1994 (Article 8.5 (commencing with Section
11 65460) of Chapter 3 of Division 1 of Title 7 of the Government
12 Code), the city or county, following the procedures set forth in
13 Chapter 4 (commencing with Section 33300) of this part except to
14 the extent inconsistent with this chapter, may adopt a new
15 redevelopment plan to be known as a Transit Village
16 Redevelopment Plan, provided that the territory included in the
17 new Transit Village Redevelopment Plan shall not, at the time of
18 adoption of such plan, be located within an existing redevelopment
19 project area. The new Transit Village Redevelopment Plan shall
20 include as the redevelopment project area only territory
21 encompassed by such transit village plan and may include all or a
22 portion of such transit village plan area. The designated area shall
23 be known as a Transit Village Redevelopment Project Area. A new
24 Transit Village Redevelopment Plan shall not be adopted unless
25 the proposed Transit Village Redevelopment Project Area is found
26 by the legislative body of the city or county to be a blighted area
27 pursuant to the criteria set forth in subdivision (d) of Section
28 33030.

29 (b) If there is an existing redevelopment plan that includes,
30 within the boundaries of its redevelopment project area, a transit
31 village plan area that the city or county has adopted pursuant to the
32 Transit Village Development Planning Act of 1994 (Article 8.5
33 (commencing with Section 65460) of Chapter 3 of Division 1 of
34 Title 7 of the Government Code), the city or county may amend the
35 existing redevelopment plan, pursuant to the procedures set forth
36 in Article 12 (commencing with Section 33450), to redesignate all
37 or a portion of the transit village plan area as a Transit Village
38 Redevelopment Project Area. The base year applicable to the
39 Transit Village Redevelopment Project Area established by
40 amendment to an existing redevelopment plan pursuant to this



1 subdivision shall be the base year that was established for the
2 existing project area. In adopting the amendment described in this
3 subdivision, neither the local agency nor the legislative body of the
4 city or county is required to comply with provisions of Section
5 33354.6.

6 33499.5. (a) A new Transit Village Redevelopment Plan
7 adopted pursuant to subdivision (a) of Section 33499.4, which
8 contain the provisions set forth in Section 33670 shall contain all
9 of the following limitations:

10 (1) (A) A time limit on the establishing of loans, advances, and
11 indebtedness to be paid with the proceeds of property taxes
12 received pursuant to Section 33670 to finance in whole or in part
13 the redevelopment project, which time limit may not exceed 30
14 years from the adoption of the Transit Village Redevelopment
15 Plan, except by amendment of the Transit Village Redevelopment
16 Plan as authorized by subparagraph (B). This time limit, however,
17 shall not prevent local agencies from incurring debt to be paid from
18 the Low and Moderate Income Housing Fund or establishing more
19 debt in order to fulfill the agency's housing obligations under
20 Section 33413. The loans, advances, or indebtedness may be
21 repaid over a period of time longer than this time limit as provided
22 in this section. No loans, advances, or indebtedness to be repaid
23 from the allocation of taxes shall be established or incurred by the
24 local agency beyond this time limitation. This limitation shall not
25 prevent agencies from refinancing, refunding, or restructuring
26 indebtedness after the time limit if the indebtedness is not
27 increased other than by the costs of issuance of the indebtedness,
28 and the time during which the indebtedness is to be repaid is not
29 extended beyond the time limit to repay indebtedness required by
30 this section.

31 (B) The time limitation established by subparagraph (A) may
32 be extended only by amendment of the Transit Village
33 Redevelopment Plan after the local agency finds, based on
34 substantial evidence, that (i) significant blight remains within the
35 Transit Village Redevelopment Project Area, and (ii) this blight
36 cannot be eliminated without the establishment of additional debt.

37 (2) A time limit, not to exceed 40 years from the adoption of the
38 Transit Village Redevelopment Plan, on the effectiveness of the
39 redevelopment plan. After the time limit on the effectiveness of the
40 Transit Village Redevelopment Plan, the local agency shall have

1 no authority to act pursuant to the Transit Village Redevelopment
2 Plan except to pay previously incurred indebtedness and to enforce
3 existing covenants or contracts, unless the local agency has not
4 completed its housing obligations pursuant to Section 33413, in
5 which case the local agency shall retain its authority to implement
6 requirements under Section 33413, including its ability to incur
7 and pay indebtedness for this purpose, and shall use this authority
8 to complete these housing obligations as soon as is reasonably
9 possible.

10 (3) A time limit, not to exceed 60 years from the adoption of the
11 Transit Village Redevelopment Plan, to repay indebtedness with
12 the proceeds of property taxes received pursuant to Section 33670.
13 After the time limit established pursuant to this paragraph, a local
14 agency may not receive property taxes pursuant to Section 33670.

15 (4) A time limit, not to exceed 12 years from the date of
16 adoption of the Transit Village Redevelopment Plan, for
17 commencement of eminent domain proceedings to acquire
18 property within the Transit Village Redevelopment Project Area.
19 This time limitation may be extended only by amendment of the
20 redevelopment plan.

21 (b) If an existing redevelopment plan containing the provisions
22 set forth in Section 33670 is amended pursuant to subdivision (b)
23 of Section 33499.4, the amendment shall contain the time limits
24 set forth in subdivision (a) of this section but the time limits shall
25 (1) be applicable only to the territory designated as the Transit
26 Village Redevelopment Project Area, (2) be effective as of the date
27 of adoption of the amendment, and (3) supersede the limits in the
28 existing redevelopment plan with respect to the area redesignated
29 as the Transit Village Redevelopment Project Area.

30 33499.6. In adopting a new Transit Village Redevelopment
31 Plan pursuant to subdivision (a) of Section 33499.4, or the
32 amendment to an existing redevelopment plan described in
33 subdivision (b) of Section 33499.4, the local agency shall prepare
34 the appropriate environmental document pursuant to the
35 requirements of the California Environmental Quality Act
36 (Division 13 (commencing with Section 21000 of the Public
37 Resources Code).

38 33499.7. Notwithstanding any other provision of law to the
39 contrary, Sections 33607.5 and 33607.7 shall not apply to the
40 adoption of a new Transit Village Redevelopment Plan pursuant

1 to subdivision (a) of Section 33499.4 and the local agency shall not
2 be required to make the payments specified in Section 33607.5 or
3 33607.7 as a result of this adoption.

4 33499.8. Notwithstanding any other provision of law to the
5 contrary, Sections 33607.5 and 33607.7 shall not apply to the
6 adoption of an amendment to an existing redevelopment plan
7 pursuant to subdivision (b) of Section 33499.4, and the local
8 agency shall not be required to make the payments specified in
9 Section 33607.5 or 33607.7 as a result of this adoption. This
10 section shall be the exclusive provision pertaining to a local
11 agency's payment to taxing entities resulting from the adoption of
12 an amendment to an existing redevelopment plan pursuant to
13 subdivision (b) of Section 33499.4.

14 (a) If an agreement exists between the local agency and a taxing
15 entity entered into prior to January 1, 1994, the local agency shall
16 continue to make the payments to that taxing entity as required by
17 the agreement, but the local agency shall be permitted in each
18 fiscal year following the fiscal year in which the redevelopment
19 plan amendment, adopted pursuant to subdivision (b) of Section
20 33499.4, was adopted, to deduct from the payment the "Transit
21 Village Tax Increment Portion" as defined in subdivision (c) of
22 this section.

23 (b) If subdivision (a) of this section does not apply and if the
24 local agency has been making payments to one or more taxing
25 entities pursuant to Section 33607.5 or Section 33607.7, the local
26 agency shall continue to make the payments to each taxing entity,
27 but the local agency shall be permitted in each fiscal year
28 following the fiscal year in which the redevelopment plan
29 amendment adopted pursuant to subdivision (b) of Section
30 33499.4 was adopted, to deduct from the payment the "Transit
31 Village Tax Increment Portion" as defined in subdivision (c) of
32 this section.

33 (c) As used in this section, the term "Transit Village Tax
34 Increment Portion" shall mean the tax increment that otherwise
35 would be paid to a taxing entity that is derived from increases in
36 the assessed value of property within the Transit Village
37 Redevelopment Project Area over the assessed value of property
38 within the Transit Village Redevelopment Project Area existing in
39 the fiscal year in which the amendment to the redevelopment plan
40 pursuant to subdivision (b) of Section 33499.4 was adopted.

1 (d) As used in this section, the term “fiscal year” shall mean
2 the period commencing on July 1 and ending on the following June
3 30.

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